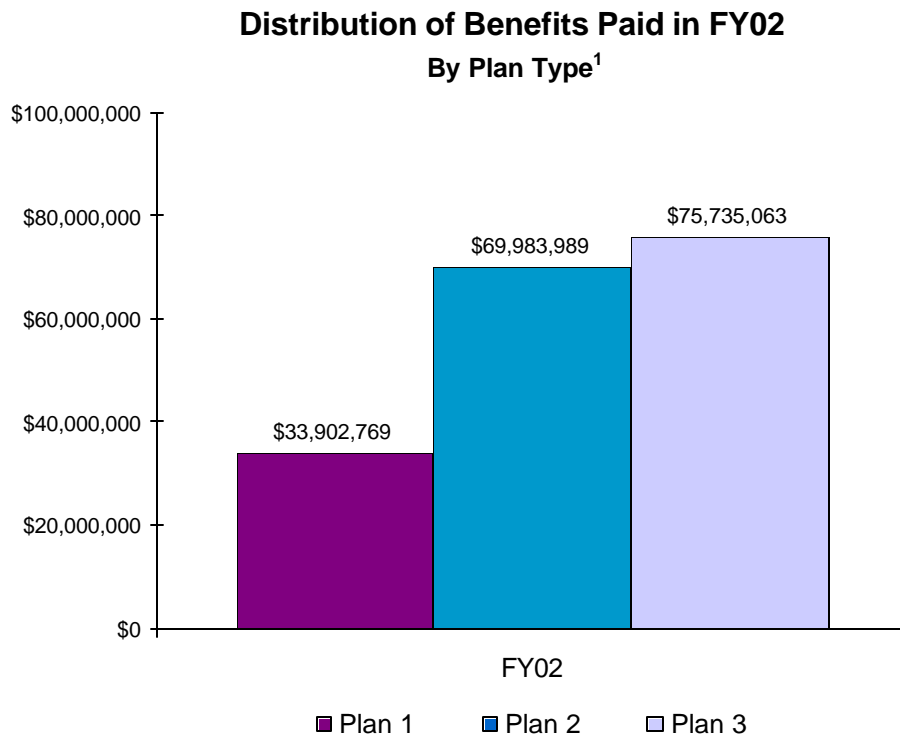


## Total Benefits

Benefit totals have been updated since the publication of previous annual reports due to the receipt of amended expenditures reports. Total benefits represent indemnity benefits paid to the injured worker and medical benefits paid to hospitals, doctors and other health care providers.



Distribution of Benefits Paid					
By Plan Type <sup>1</sup> & Fiscal Year					
Plan Type <sup>1</sup>	FY98	FY99	FY00	FY01	FY02
Plan 1	\$22,160,323	\$24,701,197	\$24,618,959	\$29,141,324	\$33,902,769
Plan 2	\$42,445,894	\$47,875,550	\$63,425,703	\$79,341,672	\$69,983,989
Plan 3	\$70,713,511	\$66,341,498	\$66,723,654	\$70,893,570	\$75,735,063
<b>Total<sup>2</sup></b>	<b>\$135,319,728</b>	<b>\$138,918,245</b>	<b>\$154,768,316</b>	<b>\$179,376,566</b>	<b>\$179,621,821</b>

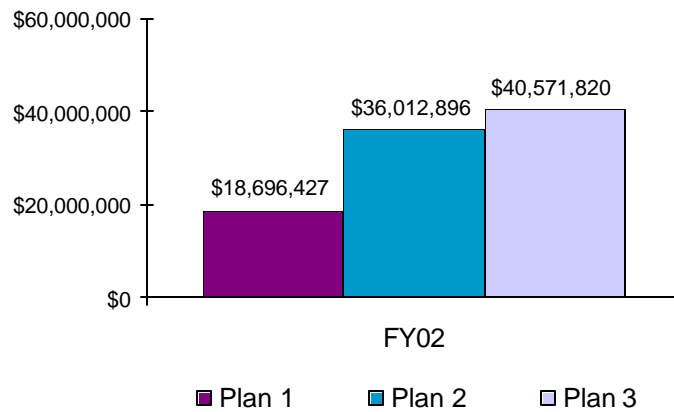
**Notes:**

<sup>1</sup>Plan types: Plan 1 – Self-insured Employers, Plan 2 – Private Insurance, and Plan 3 – State Fund

<sup>2</sup>Total benefits represent indemnity and medical, filed as of 4-25-2003.



### Distribution of Medical Payments in FY02 By Plan Type



### Distribution of Medical Payments By Plan Type<sup>1</sup> and Fiscal Year

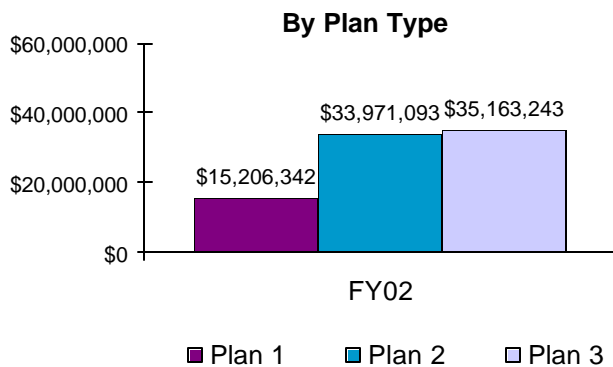
Plan Type	FY98	FY99	FY00	FY01	FY02
Plan 1	\$11,674,809	\$13,346,592	\$13,469,679	\$15,791,261	\$18,696,427
Plan 2	\$19,756,657	\$22,792,502	\$30,557,976	\$41,626,961	\$36,012,896
Plan 3	\$32,161,374	\$31,439,590	\$34,223,740	\$35,656,851	\$40,571,820
<b>Total<sup>2</sup></b>	<b>\$63,592,840</b>	<b>\$67,578,684</b>	<b>\$78,251,395</b>	<b>\$93,075,073</b>	<b>\$95,281,143</b>

**Notes:**

<sup>1</sup>Plan types: Plan 1 – Self-Insured Employers, Plan 2 – Private Insurance, and Plan 3 – State Fund

<sup>2</sup>Total benefits represent indemnity and medical, filed as of 4-25-2003.

### Distribution of Indemnity Payments in FY02 By Plan Type



### Distribution of Indemnity Payments By Plan Type and Fiscal Year

Plan Type	FY98	FY99	FY00	FY01	FY02
Plan 1	\$10,485,514	\$11,354,605	\$11,149,280	\$13,350,062	\$15,206,342
Plan 2	\$22,689,238	\$25,083,048	\$32,867,727	\$37,714,712	\$33,971,093
Plan 3	\$38,552,137	\$34,901,908	\$32,499,914	\$35,236,719	\$35,163,243
<b>Total</b>	<b>\$71,726,889</b>	<b>\$71,339,561</b>	<b>\$76,516,921</b>	<b>\$86,301,493</b>	<b>\$84,340,678</b>

**Notes:**

<sup>1</sup>Plan types: Plan 1 – Self-Insured Employers, Plan 2 – Private Insurance, and Plan 3 – State Fund

<sup>2</sup>Total benefits represent indemnity and medical, filed as of 4-25-2003.

## Benefit Report Data on Closed Claims <sup>1</sup>

(These graphs display averages by fiscal year of injury for claims closed between 7-1-97 and 6-30-02. This information includes both injury and occupational disease claims.)

### Temporary Partial Disability (TPD)

**Workers are eligible for TPD benefits when:**

- prior to maximum medical improvement, they are temporarily unable to return to time of injury position; and
- they return to work in modified or alternative position; and
- they suffer a wage loss; and
- they have been released by their treating physician to return to a modified or an alternative position with the same employer.

Temporary Partial Disability (TPD) Fiscal Year of Injury					
All Plans	FY98	FY99	FY00	FY01	FY02
Average indemnity payment	\$3,316	\$1,489	\$1,384	\$1,316	\$1,095
Average duration of benefits paid in weeks	8.5	9.2	7.1	7.1	5.8
Average duration in days from injury to benefit start date	117	115	102	97	55
Average duration in days between injury date & release/return to work	181	183	155	141	87

#### TPD Benefits

- TPD benefits are the difference between the injured worker's actual weekly wage and the actual weekly wage earned during the injured worker's temporary partial disability.

#### Length of TPD Benefits

- 26 weeks (The insurer, however, may extend the benefit period).

### Temporary Total Disability (TTD)

**A worker is eligible for TTD benefits:**

- when the injured worker misses five lost work shifts or 40 hours, whichever occurs first; and
- the injury results in a total loss of wages and exists until the injured worker reaches maximum medical improvement; or
- until the worker is released to employment in which the worker was engaged at the time of injury or to employment with similar physical restrictions.

Temporary Total Disability (TTD) By Fiscal Year of Injury					
All Plans	FY98	FY99	FY00	FY01	FY02
Average indemnity payment	\$3,791	\$3,970	\$3,599	\$3,156	\$2,137
Average duration of benefits paid in weeks	15.8	15.6	14	12.1	7.8
Average duration in days from injury to benefit start date	61	43	53	49	28
Average duration in days between injury date & release/return to work	160	157	137	118	71

#### TTD Benefits

- TTD benefits are 66 2/3% of the wages received at the time of injury, not to exceed the state's average weekly wage at the time of injury.

#### Length of TTD Benefits

- until the worker reaches maximum medical improvement or is released to return to work.

<sup>1</sup>We determined past presentations of "Closed Claims" included both open and closed claims. We have corrected the data this year to reflect only closed claims.

## Permanent Partial Disability (PPD)

### Workers are eligible for PPD benefits:

- if they suffer permanent partial disability and are no longer temporarily totally disabled or permanently totally disabled; and
- they have a physical condition that impairs the workers' ability to work after reaching maximum medical improvement but are able to return to work in some capacity; and
- have a permanent impairment, greater than zero, established by objective medical findings; and
- have an actual wage loss.

### PPD Benefits

- PPD benefits are 66 2/3% of the wages received at the time of injury, not to exceed 1/2 the state's average weekly wage at the time of injury.

### Length of Benefits

- maximum of 350 weeks.

Permanent Partial Disability (PPD) By Fiscal Year of Injury					
All Plans	FY98	FY99	FY00	FY01	FY02
Average indemnity payment	\$7,476	\$6,497	\$5,967	\$5,049	\$4,334
Average duration of benefits paid in weeks	19.7	18.3	15.5	13.9	11.4
Average duration in days from injury to benefit start date	360	362	343	295	219
Average duration in days between injury date & release/return to work	234	231	200	169	114

## Permanent Total Disability (PTD)

The low number of Permanent Total Disability cases prevents statistically significant summary reporting.

### Workers are eligible for PTD benefits:

- if they possess a physical condition, after they reach maximum medical improvement, in which they do not have a reasonable prospect of physically performing regular employment; and
- if injured workers are no longer temporarily totally disabled and are permanently totally disabled.

### PTD Benefits

- an injured worker may receive 66 2/3% of the wages received at the time of injury, not to exceed the state's average weekly wage at the time of injury. The injured worker may receive a maximum of 10 cost of living increases.

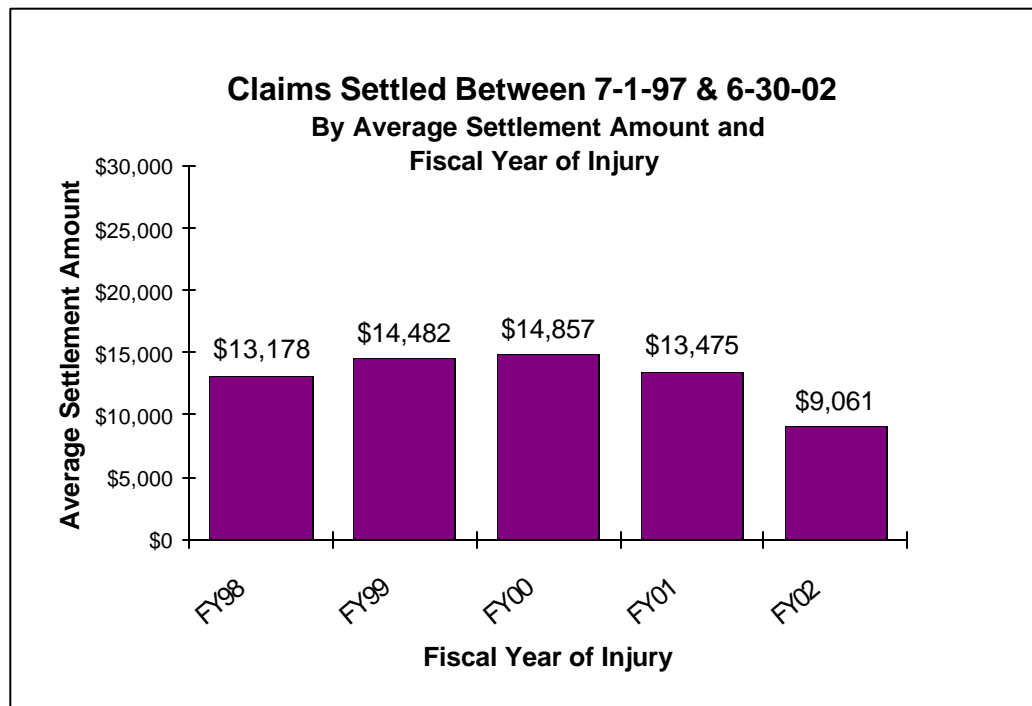
### Length of Benefits

- until the injured worker receives, or is eligible to receive, full social security retirement benefits.

## Settlement Dollars

A settlement is a lump sum payment of the claimant's workers' compensation benefits. Benefits are usually paid in periodic payments that are designed to sustain an injured worker over an extended period of time. Settlements can occur when the claimant and the insurer agree that benefits will be converted to a lump sum payment. If the claimant has more than one claim, a settlement may settle more than one of those claims. Settlements are subject to approval by the Department of Labor and Industry.

- This graph displays average settlement amounts by fiscal year of injury for claims settled between 7-1-97 and 6-30-02. This information includes both injury and occupational disease settlements.



**Settlement Amounts For Claims Settled<sup>1</sup>**  
**By Plan Type<sup>2</sup> and Fiscal Year of Injury**

Plan Type	FY98		FY99		FY00		FY01		FY02	
	Amount	Count	Amount	Count	Amount	Count	Amount	Count	Amount	Count
Plan 1	\$2,344,465	173	\$2,037,002	134	\$1,898,625	131	\$1,144,368	81	\$269,810	23
Plan 2	\$6,631,390	530	\$5,889,794	448	\$5,783,955	400	\$2,947,100	242	\$292,656	45
Plan 3	\$3,200,485	221	\$3,992,097	241	\$3,266,839	206	\$1,932,078	124	\$271,142	24
<b>Totals</b>	<b>\$12,176,340</b>	<b>924</b>	<b>\$11,918,893</b>	<b>823</b>	<b>\$10,949,419</b>	<b>737</b>	<b>\$6,023,546</b>	<b>447</b>	<b>\$833,608</b>	<b>92</b>

**Notes:**

<sup>1</sup>This chart does not include settlements ordered by the Workers' Compensation Court.

<sup>2</sup>Plan types: Plan 1 – Self-Insured Employers, Plan 2 – Private Insurance, and Plan 3 – State Fund.

## Settlement Attorney Fees

The Employment Relations Division collects workers' compensation legal expense data on attorney fees claimed for approved settlements. The data collected are used to ensure fees the attorneys charge do not exceed the maximum amounts allowed by statute. Legal costs accumulated in defense of a claim, pro-bono work, court awarded fees, fees taken from bi-weekly compensation payments prior to settlement, fees related to uninsured employer claims, benefit advances, or fees related to disputed medical payments are not included.

**Distribution of Settlement Attorney Fees**  
**By Fiscal Year**

	FY98	FY99	FY00	FY01	FY02
Number of Settlement Petitions Processed	1,342	1,486	1,334	1,339	1,227
Claims Settled with Attorney Representation	761	708	678	715	682
Percent Claimants Represented by Attorney	57%	48%	51%	53%	55%
Total Settlement Amount With Attorney Involvement	\$15,239,197	\$13,898,051	\$14,169,102	\$16,734,211	\$17,551,999
Total Attorney Fees	\$2,538,738	\$2,490,854	\$2,620,749	\$3,028,678	\$3,183,270
Percent Fees to Settlement	16.7%	17.9%	18.5%	18.1%	18.1%

- Similar to reports issued in previous years, there is a small percentage of records for which no attorney fees were listed due to both entry errors and reporting limitations.
- The information provided reflects settlements only and does not include advances, fees associated with biweekly compensation benefits, disputed medical benefits, court awarded fees, or amounts from lump sum payments not resulting in settlements.
- Total net settlement amounts included in the list are approximations. The settlement amounts do not include annuities.

**Number of Approved Attorney Fee Agreements**  
**By Fiscal Year**

	FY98	FY99	FY00	FY01	FY02
Approved Attorney Fee Agreements	1,073	1,062	987	772	669

**Note:** Previous fiscal year information has not been updated.

## ***Rehabilitation***

The best possible outcome after an injury is for the injured worker to return to work. Sometimes a disabled worker needs help to become employable. The expense of vocational rehabilitation pays off when the worker becomes as productive and self-sufficient as possible.

Rehabilitation benefits are paid bi-weekly while completing the rehabilitation plan. Benefits are  $66 \frac{2}{3}$  of wages received at the time of the injury, not to exceed the state average weekly wage, for up to 104 weeks. A disabled worker may also receive monies for tuition, fees, books, and other reasonable and necessary retraining expenses.

The worker's rehabilitation plan must be started within 78 weeks of reaching maximum medical improvement (MMI), must be completed within 26 weeks of the completion date specified in the plan, and may not exceed 104 weeks. In addition, the insurer may pay auxiliary benefits up to \$4,000 for reasonable travel and relocation expenses.

Rehabilitation benefits are provided to claimants under certain circumstances. For disabled workers to qualify for these benefits, they must:

- have a permanent impairment established by objective medical findings, resulting from a work related injury, that precludes them from returning to the job of injury or a job with similar physical requirements; and
- have an actual wage loss; or
- have at least 15% medical impairment established by objective medical findings and no wage loss.

The injured worker must have reasonable vocational goals and re-employment opportunities that will likely reduce the wage loss and have a rehabilitation plan agreed upon with the insurer.

### **Vocational Rehabilitation Benefits Paid By Plan Type<sup>1</sup> & Fiscal Year**

<b>Plan Type</b>	<b>FY98</b>	<b>FY99</b>	<b>FY00</b>	<b>FY01</b>	<b>FY02</b>
Plan 1	\$291,747.69	\$158,1793.81	\$29,784.21	\$42,506.47	\$8,975.30
Plan 2	\$700,463.19	\$544,336.55	\$589,412.59	\$309,203.08	\$67,700.02
Plan 3	\$1,265,410.92	\$1,119,135.80	\$689,366.23	\$369,744.95	\$97,784.32
<b>Total</b>	<b>\$2,257,621.80</b>	<b>\$1,821,652.16</b>	<b>\$1,308,563.03</b>	<b>\$721,454.50</b>	<b>\$171,469.64</b>

**Notes:**

<sup>1</sup>Plan types: Plan 1 – Self-Insured Employers, Plan 2 – Private Insurance, and Plan 3 – State Fund

## Industrial Accident Rehabilitation Trust Fund (IARA)

For injuries occurring on or before June 30, 1997, disabled workers may be paid vocational rehabilitation expenses from funds in the industrial accident rehabilitation account. Rehabilitation expenses are the costs of a training plan and include the cost of tuition, fees, books and other reasonable and necessary training expenses. The expenses do not include bi-weekly wage loss benefits. This account is a state special revenue fund. Payments to the account are made each year from an assessment to Plan 1 employers, Plan 2 insurers, and Plan 3 (State Fund), not exceeding one percent of compensation paid to injured employees in Montana during the preceding fiscal year.

The 1997 Legislature removed the Department of Public Health and Human Services from the IARA approval process (Senate Bill 62). In addition, the Legislature made the Department of Labor and Industry responsible for processing IARA requests on claims with dates of injury prior to July 1, 1997. Workers injured after July 1, 1997, will agree on a rehabilitation plan with the insurer and the insurer will pay the expenses directly. As a result of this change, the department's data about the Rehabilitation Trust Fund begins with FY1998 information.

### Rehabilitation Expenses Paid<sup>1</sup> By Plan Type<sup>2</sup> and Fiscal Year (Injuries occurring on/before 6/30/97)

Plan Type	FY98	FY99	FY00	FY01	FY02
Plan 1	\$12,592	\$50,927	\$35,155	\$21,120	\$7,230
Plan 2	\$28,273	\$46,340	\$35,516	\$22,269	\$10,391
Plan 3	\$192,578	\$215,027	\$83,311	\$122,030	\$51,681
<b>Total</b>	<b>\$233,443</b>	<b>\$312,294</b>	<b>\$153,981</b>	<b>\$165,419</b>	<b>\$69,302</b>

**Notes:**

<sup>1</sup> The source document used for this data has changed, amounts differ from previous reports. We are now using an audited source that is more reliable.

<sup>2</sup>Plan types: Plan 1 – Self-Insured Employers, Plan 2 – Private Insurance, and Plan 3 – State Fund